

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-190-E - ORDER NO. 2012-18

JANUARY 17, 2012

IN RE:	Application of Carolina Power & Light	)	ORDER APPROVING CIG
	Company d/b/a Progress Energy Carolinas,	)	EE-4 EXPERIMENTAL
	Inc. for Approval of Experimental Tariffs	)	TARIFF
	Covering its Initial Slate of Demand-Side	)	
	Management and Energy Efficiency ("DSM	)	
	and EE") Programs	)	

In accordance with Order No. 2009-373 (June 26, 2009), this matter comes before the Public Service Commission of South Carolina ("Commission") on the Application of Progress Energy Carolinas, Inc. ("PEC" or "Company") requesting to revise its Commercial, Industrial, and Governmental Energy Efficiency Program CIG EE-4 Experimental tariff ("CIG EE"). CIG-EE was initially approved on an experimental basis by Order No. 2009-374 (June 26, 2009). Specifically, PEC is proposing the following two revisions to CIG EE: (1) the removal of its premium efficiency motor incentive; and (2) clarification regarding the ownership of environmental, energy efficiency, and demand response benefits and attributes.

PEC is proposing to eliminate the premium efficiency motor incentive from CIG EE because Section 313 of the Energy Independence and Security Act of 2007 now mandates the same electric motor efficiency levels that PEC has been incenting. The new standards impact motors manufactured or imported after December 19, 2010. As a result, the incentive is no longer needed.

Next, to further clarify the tariff, PEC has added a provision regarding its ownership of environmental, energy efficiency, and demand response benefits and attributes resulting from participation in this Program. The Company asserts that this provision has been implicitly a part of the CIG EE Program from the beginning, but it was not expressly stated in the current tariff. As noted in its earlier request in this docket to revise the Residential Home Energy Improvement Experimental tariff, PEC intends to modify its existing DSM/EE program tariffs, as they are changed, to reflect this provision. PEC's revised CIG EE-4 Experimental tariff, which incorporates the requested changes, is attached as Exhibit No. 1 to the Application.

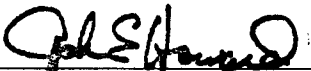
Although no other revisions to the CIG EE Program tariff are being requested, PEC has also informed the Commission in this filing that it is changing the way incentives are calculated for prescriptive lighting measures provided under CIG EE. The revised incentive structure will move from a per fixture incentive based on a lighting technology (e.g. fluorescent lamp) to a set incentive per watt reduced between the existing system and the new lighting system. The Company states that this change is consistent with recommendations provided by Navigant Consulting, PEC's evaluation, measurement and verification ("EM&V") contractor, in its EM&V Report for the 2009 Program year, which was filed with the Commission on July 25, 2011, in Docket No. 2008-251-E. According to PEC, this modification will simplify the incentive structure and encourage customers and contractors to move from less efficient retrofits to lighting systems that are more cost effective in the longer term by linking the incentive directly to the creation of energy savings.

Even though PEC anticipates that the average incentive paid using the proposed structure when compared to the existing structure will remain fairly constant, the benefits of this change are designed to encourage greater energy savings and result in improved Program cost effectiveness. PEC's prescriptive lighting incentives are described on the Program website (<http://progress-energy.com/carolinasBusiness>) and the revised incentive schedule is posted there. The revised and current individual incentives as shown on the website are included in its filing as Exhibit Nos. 2 and 3, respectively.

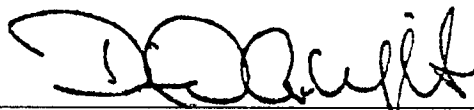
We find that the proposed changes to CIG EE Experimental tariff are reasonable and therefore approved.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
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John E. Howard, Chairman

ATTEST:

  
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David A. Wright, Vice Chairman  
(SEAL)